

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36065



SAN PEDRO PENINSULA HOMEOWNER'S UNITED INC
JOHNTOMMY ROSAS, TRIBAL ADMINISTRATOR, TONGVA ANCESTRAL TERRITORIAL TRIBAL NATION

PETITION FOR DECLARATORY ORDER

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September 12, 2016
Part of
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ANTHONY G. PATCHETT
LAW OFFICES OF ANTHONY G. PATCHETT
PO BOX 5232
Glendale, California 91221-1099
Email: mrenvirlaw@sbcglobal.net

Dated: September 8, 2016

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September 12, 2016
Surface Transportation Board

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EXPEDITED CONSIDERATION REQUESTED

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SURFACE TRANSPORTATION BOARD

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SAN PEDRO PENINSULA HOMEOWNER'S UNITED INC
JOHNTOMMY ROSAS, TRIBAL ADMINISTRATOR, TONGVA ANCESTRAL TERRITORIAL TRIBAL NATION

PETITION FOR DECLARATORY ORDER

Petitioners, San Pedro Peninsula Homeowner's United Inc. and John Tommy Rosas, Tribal Administrator, Tongva Ancestral Territorial Tribal Nation hereby respectfully petition the Surface Transportation Board for a declaratory order pursuant of its discretionary authority under 5 U.S.C. section 554(e) and 49 U.S.C. section 721. The Board has authorized authority over the Port of Los Angeles railway system.

The Port of Los Angeles issued a Temporary Rail Permit to Rancho LPG to use a rail spur line for the transportation of their product. The permit specifically states that no hazardous material shall be transported on this rail spur yet Plains All America/Rancho LPG continually moves hazardous material on this rail spur.

It is our belief that the Port of Los Angeles has never presented to the Surface Transportation board the existence of the Temporary Rail Permit for Plains All America/Rancho LPG to transport hazardous material on this rail spur line because it would trigger the requirement of an EIR for the Port of Los Angeles to include the existence of this use of the rail spur line.

Accordingly, a Board declaration is ripe now that the issue has been presented.

BACKGROUND

In 1973, Petrolane developed a liquefied petroleum gas (LPG) storage facility on private land on North Gaffey Street in San Pedro without permit until 1978. The facility has been used to store butane and propane and includes two 12.5 million gallon refrigerated tanks. Additionally, the facility includes five 60,000-gallon horizontal storage tanks. This facility was 'exempted' from proper regulations at the time of installation and therefore has never met the true threshold of compliance.

The storage facility (Plains all America/Rancho LPG) was connected to the Port by means of a 16-inch pipeline to Berth 120 in the West Basin where vessels were loaded with butane for export. In March 2004, the Board concurred with PCAC motion No. 17, which recommended that the transfer of LPG products at Berth 120 cease, and that the pipeline permit not be renewed. In July 2004, the berthing rights for Amerigas, which acquired Petrolane, were terminated, and on June 10, 2005, the pipeline permit was terminated. The reason why the Port refused to renew the pipeline and wharf permit was

the apparent safety concerns of this highly volatile commodity. Yet, the Port concurrently allowed Plains All America/Rancho with no ties without its wharf, whatsoever, to the port for ocean transport, to radically (68% of their gas was originally by sea) the Port's rail spur use for railcar transport (an inherently more hazardous mode of movement) to traverse through "the Port's property" on "Public Trust Land" without assessment of its risk. Each rail of propane or butane gas has a blast radius of .58 miles.

While the Benicia, Ca/Valero Bakken rail use has raised such a controversy and has also requested intervention by the STB, it is vital to note that the reason why Bakken crude has become so explosive is because of the small amount of butane and/or lighter fuel present in the crude that makes it explosive. Regarding Plains America/Rancho, we are talking about rail cars that are moving pure, highly explosive, propane and butane gases that make the explosive nature of Bakken crude pale by comparison.

Also, when the facility was sold to AMERIGAS and then to Plains, the required Risk Management Plan was never filed. The plan that current owners, Plains, produced was simply a "roll over" plan from Amerigas with a number of the deficiencies noted in the EPA Complaint.

Related to the Port of LA's violations in their rail contract agreements with Plains/Rancho and Pacific Harbor Rail lime stemming from the existing temporary status of their "revocable monthly roll over rail spur permit" that after 42 years, more than qualifies as a "long term lease agreement." This temporary status allows the Port/City to circumvent the "long term lease requirements" of an environmental impact report and inclusion in their own Port Risk Management Plan. These contracts also "prohibit the transportation of any hazardous commodities" over that port rail.

Professor Robert Bea, at the UC Berkeley Center for Catastrophic Risk Management, stated to Rancho LPG Manager Ron Conrow in a letter dated April 20, 2015:

"I have reviewed a QRA performed by Quest Consultants Inc. I do not think there is sufficient valid and validated information (qualitative and quantitative) to inform the residents of San Pedro and the responsible local, State and Federal government agencies regarding the "public safety" and risks of major accidents associated with the Rancho LPG facilities. I think it is incumbent upon Rancho LPG Holdings LLC to provide the residents of San Pedro and the responsible government agencies the scientifically based information on the "public safety" and risks (likelihoods and consequences) associated with major accidents involving the Rancho LPG facility."

"My statement is based on the information contained in the series of "risk analysis" documents I cited earlier. My synthesis of that information led to my qualitative assessment of "high risk". That assessment included an assessment of the likelihoods of major accidents due to the multiple categories of hazards (earthquakes, severe storms, ground instability, terrorist activities, and operating and maintenance activities) and the consequences (deaths, severe injuries, property and productivity damages, and direct and indirect monetary costs."

"During the past 45 years, I have been involved as an originator, contributor and reviewer of more than one hundred QRAs involving "High Risk Systems." This work has been associated with design,

construction, maintenance, and operation of onshore and offshore industrial oil and gas explosion, production, transportation, and refining systems. Several of these QRAs were associated with oil and gas production and transportation facilities located onshore and offshore Southern California near the Rancho LPG facilities. I have written three books, contributed chapters in 4 other books, written several hundred referred technical papers and reports, and taught university undergraduate and graduate courses on system Risk Assessment and Management (SRAM) of engineered systems for more than 20 years. This work has been closely associated with my forensic engineering work as a primary investigator on more than 30 major accidents and disasters that have primarily involved oil and gas exploration, production, transportation, and refining systems. This work has been involved with more than 40 major national and international joint industry-government sponsored research projects that addressed SRAM of complex engineered systems.”

“Deficiencies found in previous formal quantitative QRAs and PRAs: 1) omission of important categories of uncertainties, 2) systematic incorporation of optimistic human and organizational “biases”, 3) assumptions integrated into the risk analysis that were not validated, 4) systematic underestimate in the consequences of major accidents, 5) omission of important interactions between infrastructure components and systems, and 6) application of inappropriate risk “acceptability” and “tolerability” criteria. All of these deficiencies in the existing formal QRAs that have been performed for the Rancho LPG facilities.”

“The Equation for Disaster is: $A+B=C$. “A” are natural hazards like explosive hydrocarbons, corrosion, metal fatigue, earthquakes, tsunamis, hurricanes, and instability of the ground. “B” are human hazards including hubris, arrogance, greed, complacency, ignorance, and indolence. “C” are disasters sooner or later. At this point in my review of the documentation associated with the Rancho LPG facilities, I have detected plentiful evidence of the presence of ALL of the “B” human hazards in the “Equation for Disaster.” In addition, there is ample valid evidence available to characterize the multiplicity of significant natural hazards at and in the vicinity of these facilities. I conclude it is time for Rancho LPG Holdings LLC to take effective actions to avoid the “C” results associated with the facilities it owns and operates.”

See also attached letters of Congresswoman Janice Hahn; Motion/Resolution of Los Angeles City Board of Education presented by Dr. Vladovic; letter from Adriano Martinez, Earthjustice and letter from Professor Robert Bea, Center For Catastrophic Risk Management

DECLARATORY RELIEF IS APPROPRIATE

The Board has discretion to issue declaratory judgements to eliminate controversy and remove uncertainty. 5 U.S.C. Section 554 (e); 49 U.S.C. Section 721. The board has used its discretion to issue declaratory judgements in cases where there is a question regarding the scope of its authority. The Surface Transportation Board’s (Board) environmental rules became effective on September 29, 1991. [Ex parte No. 55 (Sub-No.22 A), Implementation of environmental Laws, 7 I.C.C. 2nd 807.] These rules implement various environmental statutes that include the National Environmental Policy Act

(NEPA) and the National Historic Preservation Act (NHPA). They (1) combine the STB's former environmental and energy regulations; (2) revise and clarify our environmental/historic requirements; (3) require service of environmental reports on certain state, federal, and local agencies; and (4) reclassify and clarify the types of actions for which environmental and/or other historic reports and analyses are required. These regulations will enable applicants, interested parties, and the Board's environmental staff to better identify and more expeditiously resolve environmental concerns." The Board is currently reviewing CSX-Joint Use-Louisville & Indiana Railroad-Joint Use of Rail Line.

A Board declaration is appropriate to eliminate any controversy and remove uncertainty regarding the authority of the Port of Los Angeles extending a "temporary rail spur permit" for 42 years.

Geraldine Knatz, Executive Director, Port of Los Angeles, in a memo dated May 31, 2012 denying the Port of Los Angeles Community Advisory committee (PCAC) Recommendation No. 110 that the rail spur permit be revoked stated: "Abandonment or discontinuance of the railroad spur track that serves Rancho requires the approval of the STB, which has exclusive jurisdiction over such matter.

ARGUMENT

DECLARATORY RELIEF REGARDING THE USE OF A REVOCABLE RAILSPUR LINE BY PLAINS ALL AMERICA/RANCHO LPG TO EVADE AN UPDATED EIR BY THE PORT OF LOS ANGELES IS APPROPRIATE

The authority of the Board is not questioned even by the former Executive director of the Port of Los Angeles. (see attached memo dated May 31, 2012).

Janet Gunter, community activist, recently contacted Katherine Boudon, Attorney Advisor, STB and was advised the Port of Los Angeles has not filed any request for ruling with the STB. It is ironic to note that the Port has never contacted the STB for a ruling knowing the STB has exclusive jurisdiction.

THE BOARD HAS EXCLUSIVE JURISDICTION OVER THE REVOCABLE RAILSPUR PERMIT

The jurisdiction of the board over—

- (1) Transportation by rail carriers, and the remedies provided in this part with respect to __ facilities of such carriers; and
- (2) The construction, acquisition, operation, abandonment, or discontinuance of spur, industrial, team, switching, or side tracks, or facilities, even if the tracks are located, or intended to be located, entirely in one State,
Is exclusive. Except as otherwise provided in this part, the remedies provided under this part with respect to regulation of rail transportation are exclusive and preempt the remedies provided under federal or State law.

49 U.S.C. Section 1050(b). "The power to authorize the construction of rail lines and the power to authorize railroads to operate over them has been vested exclusively in the Board by section 10901 of the ICCTA." *King County, WA-Petition for Declaratory Order-Burlington Northern R.R. Stampede Pass Line, 1 S.T.B. 731, 734 (1996)*. Indeed, Congress in the ICCTA has confirmed that the jurisdiction of the Board over transportation by rail carriers... is exclusive and preempts the remedies

provided under federal or state law.” Id at 736. Moreover, in the parallel context of railroad abandonments under Interstate Commerce Act, the high court has interpreted the ICC’s exclusive and plenary authority to rule on line abandonments to be so comprehensive that allowing state-law claims over abandonments the STB has authorized would be at odds with the uniformity Congress sought with the Act, and was therefore preempted. *Chicago and North Western Transportation Co. v. Kalo Brick and Tile Co.* 450 U.S. 311, 320 (1981)

REQUEST FOR EXPEDITED CONSIDERATION

Petitioners, San Pedro Peninsula Homeowner’s United Inc. and John Tommy Rosas, Tribal Administrator, Tongva Ancestral Territorial Tribal Nation respectfully requests the STB issue an order regarding the use of the rail spur revocable permit without an updated EIR from Plains All America/Rancho and the Port of Los Angeles.

To facilitate expedited consideration, Petitioners has mailed a copy of this Petition for Declaratory Order to the attached service list.

CONCLUSION

For the foregoing reasons, Petitioners respectfully requests the Board issue an order regarding Revocable Rail Spur Permit No. 110.

Respectfully submitted,


Anthony G. Patchett, Esq.

Attorney for San Pedro Peninsula Homeowner’s United Inc.

and John Tommy Rosas, Tribal Administrator, Tongva Ancestral Territorial Tribal Nation

EXHIBITS

1. Revocable Rail Spur Permit Nov 26, 1974
2. Termination of Amerigas Pipeline Permit June 10,2005
3. Memo by Executive Director Port of Los Angeles regarding STB’s authority on rail spur May 2012
4. Motion by Los Angeles Unified School District January 12, 2016
5. Letter by Congresswoman Janice Hahn January 12,2016
6. Letter by Adriano Martinez, Earthjustice to EPA September 8, 2014
7. Letter from Professor Robert Bea to Ronald Conrow, Rancho LPG April 16, 2015

VERIFICATION

I, Anthony G. Patchett, verify under penalty of perjury that the factual statements made in the foregoing Petition for Declaratory Order are true and correct, to the best of my knowledge, information and belief.

Further, I certify that I am qualified and authorized to file this verification.

Executed on September 8, 2016 at Glendale, California



Anthony G. Patchett

Law Offices of Anthony G. Patchett

PO Box 5232

Glendale, Ca 91221-1099

(818-243-8863)

(818) 243-9157 Fax

Email: mrenvirlaw@sbcglobal.net

SERVICE LIST
PETITION FOR DECLARATORY ORDER

I hereby certify that the foregoing Petition for Declaratory Order was served on the 8th day of September 2016 by first class mail postage prepaid on the foregoing parties:

Greg Armstrong, Chairman of the Board
Harry Pefanis, President
Jason Balasch, President Plains Midstream
PLAINS ALL AMERICA PIPELINE
333 Clay Street Suite 1600
Houston, Texas 77002

Ronald Conrow
RANCHO LPG
2011 N Gaffey Street
San Pedro, Ca 90731

Gene Seroka, Executive Director
Edward Renwick, Commissioner
David Arian, Vice President
Ambassador Vilma Martinez, President
Patricia Castellanos, Commissioner
Anthony Pirozzi Jr. Commissioner
PORT OF LOS ANGELES
425 S. Palos Verdes Drive
San Pedro, Ca 90731
Fax (310) 547-4611

Mike Feuer
City Attorney, Los Angeles
City Hall East Suite 800
200 N Main Street
Los Angeles, Ca 90012

Eric Garcetti
Mayor City of Los Angeles
City Hall
200 N Spring Street
Los Angeles, Ca 90012

By Anthony G. Patchett

EXHIBIT ONE

8. That the grantee shall be liable for and shall pay to said City, upon demand, the actual cost of all damages or repairs to property owned by or in the care and custody of the City of Los Angeles, caused negligently or otherwise, by the grantee, its officers, agents, employees, licensees, invitees, permittees, or sub-lessees.

That said grantee shall at all times keep and maintain said premises in a safe, clean, wholesome, sanitary and sightly condition under all applicable Federal, State, Municipal and other laws, ordinances, rules and regulations and to the satisfaction of the General Manager, to the extent that from time to time the necessity for any such keeping or maintenance, directly or indirectly, is caused by or arises out of any act, omission or neglect of, or any use or occupation of said premises by the grantee, its officers, agents, employees, licensees, permittees, invitees, or sublessees, ordinary wear and tear and action of the elements excepted, and all structures and improvements on said premises shall be kept neatly painted.

That no offensive or refuse matter, or any substance constituting an unnecessary, unreasonable or unlawful fire hazard, or material detrimental to the public health, shall ever be permitted by the grantee to be or remain, and the grantee shall prevent any such material or matter from being or accumulating, upon said premises.

9. That no assignment, transfer, sublease, gift, hypothecation or grant of control of this permit, or of any of the rights or privileges granted hereunder, in whole or in part, shall be valid for any purpose without the consent in writing thereof of the General Manager first had and obtained; and any such assignment, transfer, sublease, gift, hypothecation or grant of control or other disposition of this permit shall be evidenced by a duly executed instrument in writing, a copy of which shall be filed in the office of the General Manager.

ranted

ranted

10. That this permit, and the premises covered thereby, shall at all times be subject to such rights of way for such sewers, pipelines, conduits, or such telephone, telegraph, light, heat or power lines as may from time to time be determined by the Board of Harbor Commissioners of the City of Los Angeles; and this permit and the premises covered thereby shall also be subject to such rights of way for such public streets and other highways and such railroads or other public means of transportation as shall have been duly established, or as may from time to time be determined by said Board.

11. That the grantee shall commence using said premises for the purpose intended under this permit within thirty (30) days from the date hereof.

12. That upon the neglect, failure or refusal by the grantee to comply with any of the terms or conditions of this permit, said General Manager may declare this permit forfeited forthwith, and upon any such forfeiture the grantee shall restore the premises to the same or as good condition, to the satisfaction of the General Manager, as the same were in at the time of the first occupancy thereof by the grantee under this or any prior permit or lease, and shall, except as hereinafter provided, remove, without cost to the City and within such time as may be prescribed in the declaration of such forfeiture, any and all works, structures or other improvements erected or maintained upon said premises by the grantee under this permit, except works, structures or other improvements owned by the City of Los Angeles; provided, however, that, in the event of forfeiture of this permit for the non-payment of rent, the General Manager shall have the right to enter upon said premises and take possession of all or any of the works, structures, improvements and equipment located on said premises, as may be specified in the declaration of such forfeiture, erected, installed or maintained upon said premises by the grantee; provided, further, that nothing herein contained shall prevent the General Manager from surrendering to the grantee any such works, structures, improvements or equipment so held upon the payment by the grantee to said Harbor Department of any such rent then due and unpaid. Written notice of such forfeiture shall be served upon the grantee, and upon such service being made such forfeiture shall thereupon be forthwith effective.

13. That if the grantee shall abandon or fail to use said premises for a period of sixty (60) consecutive days, this permit shall cease and terminate and be forfeited, unless said grantee shall, prior to the expiration of any such period of sixty (60) consecutive days, notify the General Manager in writing that such nonuse of said premises is only temporary and shall have obtained the consent in writing of said General Manager to such temporary nonuse.

14. That the grantee shall at all times relieve, indemnify, protect and save harmless the City of Los Angeles and any and all of its Boards, officers, agents and employees, from any and all claims and liability, including expenses incurred in defending against claims and liability, for death of or injury to persons or damage to property that may, in whole or in part, arise from or be caused, directly or indirectly, by: civil
penalties

(a) Any dangerous, hazardous, unsafe or defective condition of, in or on said premises, of any nature whatsoever, which may exist by reason of any act, omission, or neglect of, or by any use or occupation of said premises by the grantee, its officers, agents, employees, sublessees, licensees, permittees, or invitees;

(b) Any operation conducted upon or any use or occupation of said premises by the grantee, its officers, agents, employees, sublessees, licensees, permittees, or invitees, under or pursuant to the provisions of this permit or otherwise;

(c) Any act, omission or negligence of the grantee, its agents, officers, employees, sublessees, licensees, permittees, or invitees, regardless of whether any act, omission or negligence of the City of Los Angeles, its officers, agents or employees, contributed thereto;

(d) Any failure of the grantee, its officers, agents or employees, to comply with any of the terms or conditions of this permit or any applicable Federal, State or Municipal law, ordinance, rule or regulation; or

(e) The conditions, operations, use, occupation, acts, omissions or negligence referred to in (a), (b) and (c) above, existing or conducted upon or arising from the use or occupation by the grantee, its agents, officers, employees, sublessees, licensees, permittees or invitees, of any other premises within the Harbor District, as defined in the Charter of said City, and which premises are used or occupied by the grantee, its agents, officers, employees, sublessees, licensees, permittees or invitees, without the express written authorization of the Board of Harbor Commissioners or the General Manager.

The term "persons," as used in this paragraph, shall include, but not be limited to, officers and employees of the grantee.

15. That the grantee shall procure and shall maintain at all times during the life of this permit, a policy or policies of public liability and property damage insurance with minimum limits of One Hundred Thousand Dollars (\$100,000) for bodily injury to one person and Three Hundred Thousand Dollars (\$300,000) for each bodily accident or occurrence, and Fifty Thousand Dollars (\$50,000) for each accident or occurrence involving property damage, on said premises, and naming the City of Los Angeles and the Board of Harbor Commissioners thereof, their officers, agents and employees as named insureds, protecting said named insureds against losses resulting from injury to persons or damage to property arising from the permittee's use and occupancy of said leased premises; said policy or policies shall contain a provision that such will not be cancelled or reduced in amount until the Board of Harbor Commissioners and the City Attorney of the City of Los Angeles have been given thirty (30) days' notice, and an executed copy of such policy or policies, subject to the approval of the City Attorney, shall be filed with the Harbor Department.

16. The permittee shall secure, and shall maintain at all times during the life of this permit, fire insurance on the structures and improvements on said premises owned by the permittee in an amount sufficient to replace said structures and improvements at replacement cost without depreciation, with such provision in the policies issued to cover the same, or in riders attached thereto, as will provide for payments for losses thereunder sustained by the Board of Harbor Commissioners; the proceeds of said policies, excepting loss payments of Five Thousand Dollars (\$5,000) or less, to be held in trust by any reputable bank or trust company. In the event the permittee shall undertake replacement or reconditioning, any balance thereof remaining shall be paid to said permittee forthwith.

In the event the permittee shall fail to undertake the replacement or reconditioning of such structures within ninety (90) days following any such loss (or within such longer period as the parties may specify by mutual agreement), there shall be paid and released to the Board of Harbor Commissioners from such fund:

- (a) A sum equal to the cost of clearing said premises in the event permittee does not at its own expense clear said premises within said period;
 - (b) A sum or sums equal to such compensation for the use of the premises covered by this permit as may be due and unpaid, at and when such amount may become due and unpaid under this permit; and
 - (c) A sum equal to any additional damages, including lost rentals, sustained by the Board of Harbor Commissioners, such damages to be determined as of the date of the termination of this permit or the date upon which the premises may be re-let, whichever shall first occur;
- any balance then remaining shall be paid to the permittee.

17. That the grantee shall acquire all permits covering installations and shall secure and maintain all necessary current business licenses and shall comply in all respects with any and all local, State and Federal laws, orders, rules and regulations governing the conduct of such business operated on said premises.

18. That the grantee shall be liable for, and shall pay throughout the term of this permit, all license and excise fees and occupation taxes covering the business conducted on the premises, all taxes on property of grantee on the premises granted, and all taxes on the grantee's interest created by this permit.

19. That the grantee shall provide, at its own cost and expense, such paving, fencing, electric light and other public utilities, and janitorial services, as shall be required on said premises.

20. That in all cases where written notice is herein required to be given to the grantee, service shall be deemed sufficient if said notice is deposited in the United States mail, postage prepaid, addressed to the grantee at the premises above described, or to such other address as the grantee may in writing register with the General Manager for that purpose; provided, however, that nothing herein contained shall preclude or render inoperative service of such notice upon the grantee in the manner prescribed by law.

21. That the grantee shall file with the General Manager a written acceptance of this permit, agreeing therein to abide and be bound by and observe each and every of the terms and conditions hereof, and this permit shall not be or become effective for any purpose until such written acceptance is so filed.

22. That this permit is granted pursuant to an application filed by the grantee with the Board of Harbor Commissioners, and said permit is granted subject to and based upon the facts contained in said application. If said application, or any of the attachments thereto, shall be found to contain any misstatement or misstatements of fact which, in the sole judgment of the Board of Harbor Commissioners, would have affected its decision in granting said permit, said Board may at its option declare a forfeiture of said permit. Upon any such forfeiture of the permit granted hereunder, the grantee shall quit and surrender the premises as provided in paragraph 12 hereof.

23. That the following numbered paragraph or paragraphs, to wit: 4, 9, 15 & 16, is or are deleted and is or are not to be considered as constituting a part of this permit, and it or they are so marked.

24. That there is attached to this permit an Addendum, consisting of numbered paragraph 25, or paragraph 25 to 30 inclusive, the provisions of which paragraph or paragraphs are marked as a part of this permit as though set forth herein in full. (If no Addendum is attached, this paragraph No. 24 shall be deleted, and so marked.)

Effective July 1, 1974 CITY OF LOS ANGELES HARBOR DEPARTMENT

Fred B. Crawford

GENERAL MANAGER

Approved as to Form

December 3, 1974

BURT PINES, City Attorney

APPROVED:

Board of Harbor Commissioners

By Pat Nave

Deputy

Robert D. Hudson

SECRETARY

The undersigned grantee hereby accepts the foregoing permit and agrees to abide and be bound by and to observe each and every of the terms and conditions thereof, including those set forth in the Addendum, if any, and excluding those marked as being deleted.

Dated: November 26, 1974

PETROLANE, INC.

GRANTEE

(SEAL)

By John Storch

John Storch Vice President (TITLE)

Attest: W. E. Linsensbard
W. E. Linsensbard

SECRETARY

JPN:jom
11-13-74.

**ADDENDUM TO
REVOCABLE PERMIT NO. 1212**

25. Grantee shall not assign, sublease, transfer, give, hypothecate, grant control or otherwise encumber the premises or this permit without first obtaining the prior approval of the Board of Harbor Commissioners, by order, which approval shall not be unreasonably withheld. In the event grantee obtains such approval to an assignment, this permit and the terms and conditions Hereof and each and every of them shall inure to the benefit of and be binding upon the assignee of grantee. No assignment, transfer, gift, hypothecation, grant of control or other encumbrance of this permit by grantee or any of the rights or privileges granted by this permit or any interest therein or any right or privilege thereunder, in whole or in part, shall be valid for any purpose unless first approved by the Board of Harbor Commissioners, by order. Approval of an assignment, transfer, gift, hypothecation, grant of control or other encumbrance to another person, firm or corporation shall not be deemed to be an approval of any subsequent assignment, transfer, gift, hypothecation or grant of control.

The interest of grantee pursuant to this permit shall not be assigned by operation of law unless first approved by the Board of Harbor Commissioners, by order. In case of bankruptcy of grantee or the appointment of a receiver for grantee, or if a receiver be appointed to take possession of the premises as a result of any act or omission of grantee, or if grantee makes an assignment of this permit for the benefit of creditors, or if possession of the premises shall be taken by virtue of any attachment, execution or the levy of any judicial process, any person taking such possession pursuant to such proceeding or process shall not acquire any right, title or interest in or to this permit or the premises or rights granted herein without first securing the approval of the Board of Harbor Commissioners, by order.

26. Grantee shall, within ten (10) days of transfer date, notify General Manager in writing if during any calendar year from and after the filing of the application for this permit more than ten percent (10%) of the outstanding shares of capital stock of grantee is traded; provided, however, that this provision shall have no application in the event grantee is a corporate entity whose stock is listed on either the American Stock Exchange, the New York Stock Exchange or the Pacific Coast Stock Exchange.

27. Grantee shall secure and shall maintain at all times during the term of this permit a policy or policies of public liability and property damage insurance with minimum limits of Three Hundred Thousand Dollars (\$300,000) for bodily injury or death to one person, Five Hundred Thousand Dollars (\$500,000) for each accident or occurrence involving bodily injury or death, and Fifty Thousand Dollars (\$50,000) for each accident or occurrence involving property damage; provided, however, that General Manager shall have the right to increase or decrease the minimum limits of such policy or policies of insurance by giving ninety (90) days' written notice to grantee. Said policies shall provide:

(a) That City and Board, their officers, members, agents and employees are named insureds;

(b) That said named insureds are protected against losses resulting from death of or injury to persons or damage to property arising from grantee's use or occupancy of the premises;

(c) That the policy will not be canceled or reduced in coverage until Board and the City Attorney of the City of Los Angeles have each been given thirty (30) days' prior written notice by registered mail, addressed to: P. O. Box 151, San Pedro, California 90733;

(d) That the coverage provided by the policy is primary coverage and that any other insurance carried by City is excess coverage;

(e) That such coverage shall include contractual liability assumed hereunder; and

(f) The name and address of the person to whom reports of occurrences or claims pursuant to said policy or policies shall be made.

Two certified copies of such policy or policies shall be furnished to Board and such policy or policies shall be subject to the approval of the City Attorney of the City of Los Angeles.

At least fifteen (15) days prior to the expiration of said policy or policies, grantee shall furnish to Board a certificate or certificates showing that said coverage has been renewed or extended, or, if new insurance has been obtained, two certified copies of said policy or policies of new insurance shall be filed with Board for approval by the City Attorney of City.

In the event Board finds and determines grantee is financially able to indemnify City for its legal liabilities in the minimum amounts as if the aforesaid insurance requirement had been complied with, Board may waive by order the requirement of the foregoing section, subject, however, to the right of Board to review from time to time the financial ability of grantee to indemnify City and, if Board so deems, on written notice to grantee, it may require grantee to furnish a policy or policies of public liability insurance as provided in this section.

28. No officer or employee of City shall be financially interested in this permit. The words "financially interested," as used herein, have the same meaning as used in Section 1090, as amended, of the Government Code of the State of California, and are subject to the same exclusions and exemptions as set forth in Sections 1090.1, 1091, 1091.1 and 1091.5 of such Code. Notwithstanding any other provision in this permit, it is further understood and agreed that the City of Los Angeles may terminate such permit by giving thirty (30) days' notice of its election to terminate in the event a violation of this condition occurs.

29. Grantee is in accord with being an equal opportunity employer and subject to Title VII of the Civil Rights Act of 1964 (P.L. 88-352, 78 Stat. 241, 42 U.S.C. 2000e, et seq.), as amended, and the California Fair Employment Practices Act (Sec. 1410, et seq., Labor Code), as amended, which provide for fair, equal and nondiscriminatory treatment of all persons without regard to race, color, ancestry, sex, religion, creed or national origin.

30. Grantee shall not erect or display, or permit to be erected or displayed, on the premises any sign or advertising matter of any kind without first obtaining the written consent of General Manager and also shall post and maintain on the premises such signs as General Manager may direct.

31. If either party brings any action or proceeding to enforce, protect, or establish any right or remedy arising out of or based upon this permit, including but not limited to the recovery of damages for its breach, the prevailing party in said action or proceeding shall be entitled to recovery of its costs and reasonable attorneys' fees.

EXHIBIT TWO

CITY OF LOS ANGELES
INTRA-DEPARTMENTAL CORRESPONDENCE

DATE: June 10, 2005

TO: HONORABLE MEMBERS OF THE LOS ANGELES CITY COUNCIL
COMMERCE, ENERGY, AND NATURAL RESOURCES COMMITTEE

FROM: ~~TO: BRUCE E. SEATON, INTERIM EXECUTIVE DIRECTOR~~ 
HARBOR DEPARTMENT

SUBJECT: **TERMINATION OF AMERIGAS PIPELINE PERMIT No. 263; BERTH
120 (C.F. No. 04-1645)**

BACKGROUND

Amerigas Propane, L.P. (Amerigas) currently occupies Harbor Department property under Permit 263 on a conditional month-to-month holdover. The permit was granted to Petrolane Incorporated in May 1974, for a term of 30 years and assigned to Amerigas in April 1995, pursuant to a reorganization of the lessee. The permit is for construction, maintenance, and operation of subsurface pipelines for transport of petroleum products. The pipeline supports a storage tank facility located off Harbor Department property in the San Pedro community. The community is seeking the relocation of the storage tank facility due to potential risks from the operation and its proximity to residential and commercial activities. Near the end of its term, Amerigas proposed negotiating a successor permit for continued operation of the pipeline and berthing facility at Berth 120. Amerigas was notified in February 2004, that renewal of the permit would not be consistent with the Department's future plans for the area and that the permit would terminate upon completion of its term in May 2004. Under the Port Master Plan, the long range preferred use for the Berth 120 area is to accommodate the expansion of adjacent general cargo uses (containers).

Under the terms and conditions of Permit 263 Amerigas is obligated to remove its pipeline facilities prior to returning the premises to the City. Pursuant to the May 2004 notice granting Amerigas a conditional month-to-month holdover, Amerigas was allowed to handle additional vessel calls for the export of liquid butane and additional time for it to restore the premises as is required by the permit. The Non-exclusive Berth Assignment granted Amerigas for the Berth 120 unloading facility was terminated effective July 5, 2004.

PUBLIC FORUM AND COUNCIL MOTION

In February 2004, the Port Community Advisory Committee (PCAC) approved a motion that recommended that the Board of Harbor Commissioners not renew the Amerigas permit. Amerigas requested that the Board postpone consideration of the PCAC motion until Neighborhood Council input was received. It was decided to postpone Board action on the

PCAC motion and Amerigas permit pending the outcome of a Neighborhood Council public forum. That meeting was held on July 18, 2004 and resulted in directions to Amerigas and its two clients, BP North America and Valero, to work towards a solution that would allow the Amerigas storage facility in San Pedro to be removed.

At the meeting of the Los Angeles City Council on August 17, 2004, Councilwoman Hahn authored a motion, seconded by Councilman Cardenas, directing the Harbor Department to work with Amerigas and its clients to identify relocation sites and to report back to committee. The motion acknowledged the month-to-month status of the permit, directing that it remain in effect until recommendations were developed and adopted by the Board of Harbor Commissioners, the Commerce, Energy, and Natural Resources Committee, and the City Council.

FACILITY SITING ASSESSMENT

Harbor Department staff has met several times with Amerigas and the refinery representatives to discuss potential relocation opportunities and other operational solutions to the North Gaffey Street and Berth 120 operations. Amerigas completed siting criteria studies for relocating the storage facility and along with BP and Valero assessed potential alternative sites for the storage facility.

Amerigas determined that a minimum of 15 to 18 acres with vessel berthing, highway, rail and pipeline access is required as a potential relocation site. Based on the assessments by Amerigas and the refineries, no potential relocation sites were identified outside the Port. According to Amerigas, no feasible sites were available in the Port of Long Beach or in the adjacent areas surrounding the San Pedro Bay port complex. Both Valero and BP indicated that there was not sufficient space within their respective refineries to accommodate the relocation of the storage tank operations.

Harbor Department staff assessed potential sites within the Port, specifically Pier 400. It was determined that there was insufficient available acreage in a contiguous parcel to meet the minimum requirements for a storage facility operation. The only available site on Pier 400 that is currently unencumbered with an entitlement is a 15-acre irregularly shaped parcel on the southern edge of Pier 400. Due to its irregular shape and the limited opportunity to provide rail access to the site, this does not meet the minimum requirements for Amerigas. Additionally, an environmental assessment is currently in progress for a proposed crude oil receiving facility at this site. This use has a smaller footprint requirement in this area and does not require rail access.

CONCLUSION

Harbor Department staff has indicated that to Amerigas berthing operations on the west face of Pier 400 for product transfer via a pipeline could potentially be accommodated. The pipeline would need to connect to a new remote storage location either within the premises of the refineries or at another private site between the refineries and the waterfront activity. However, as stated above, neither Amerigas nor the refineries have identified any potential off port storage tank locations.

The Harbor Department is prepared to discuss the potential of developing a berthing operation at Pier 400 and associated pipeline to a remote storage facility. However, it recommends that Berth 120 shall no longer be used for export of this product due to deterioration of the berth itself and that Amerigas be required to restore the pipeline right-of-way that it occupies under Permit 263 and return the premise to the Harbor Department.

BES:SK/pp

cc: Mayor James K. Hahn
Mayor Elect Antonio Villaraigosa

EXHIBIT THREE

DATE: MAY 31, 2012

FROM: PLANNING & ECONOMIC DEVELOPMENT

**SUBJECT: RESOLUTION NO. _____ - STAFF RESPONSE TO THE PORT OF
LOS ANGELES COMMUNITY ADVISORY COMMITTEE
RECOMMENDATION NO. 110 REGARDING RANCHO LPG
HOLDINGS, LLC FACILITY**

SUMMARY:

Port of Los Angeles Community Advisory Committee (PCAC) Recommendation No. 110 requests that the City of Los Angeles Harbor Department (Harbor Department) revoke Revocable Permit No. 10-05 (the rail line permit that connects the North Gaffey Street terminal to the interstate railroad system); perform a risk assessment of the Rancho LPG Holdings, LLC (Rancho) facility and all hazardous commodities transported through the Port of Los Angeles (Port) and nearby communities via pipelines, railroad tank cars, and tank trucks; and that the Board of Harbor Commissioners (Board) establish a working group to assist in examining the risks associated with the Rancho facility. Staff recommends denying PCAC Recommendation No. 110.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Consider and deny the Port of Los Angeles Community Advisory Committee Recommendation No. 110 for the reasons stated in this board letter; and
2. Adopt the foregoing as Resolution No. _____.

DISCUSSION:

Background – Rancho Facility. In 1973, Petrolane developed a liquefied petroleum gas (LPG) storage facility on private land on North Gaffey Street in San Pedro (Transmittal 1). The facility was assessed in an Environmental Impact Report (EIR) certified in 1973 by the City of Los Angeles as the lead agency. The facility has been used to store butane and propane and includes two 12.5 million gallon refrigerated tanks. Additionally, the facility includes five 60,000 gallon horizontal storage tanks. The Harbor Department does not own or have operational control over the LPG storage facility. While located on privately owned property, the storage facility is subjected to regulation by several local, state and federal regulatory and enforcement agencies, including, but not limited to the U.S. Department of Homeland Security, U.S. Department of

DATE: MAY 31, 2012

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SUBJECT: STAFF RESPONSE TO PCAC RECOMMENDATION NO. 110

Transportation, U.S. Environmental Protection Agency, U.S. Department of Occupational Health and Safety, California Environmental Protection Agency, California Emergency Management Agency, California Department of Toxic Substances Control, Los Angeles City and County Fire Departments, City of Los Angeles Bureau of Sanitation Industrial Waste Management Division and City of Los Angeles Department of City Planning.

Pipeline Permit and Berthing Rights: The storage facility was connected to the Port by means of a 16-inch pipeline to Berth 120 in the West Basin where vessels were loaded with butane for export. In March 2004, the Board concurred with PCAC motion No. 17, which recommended that the transfer of LPG products at Berth 120 cease, and that the pipeline permit not be renewed. In July 2004, the berthing rights for AmeriGas, which acquired Petrolane, were terminated, and in October 2010, the pipeline permit was terminated.

Rail Spur Permit: In addition to the pipeline permit and berthing rights, the Harbor Department also approved a permit for a railroad spur track to serve the storage facility. In 1974, the Harbor Department entered into Revocable Permit (RP) No. 1212 with Petrolane (the first occupant of the current Rancho facility) for construction, operation, and maintenance of an industrial railroad spur track. The spur track was necessary to connect the Petrolane facility to the existing spur track that ran along Gaffey Street. This spur track that ran along Gaffey Street pre-existed the development of the Petrolane facility and served other customers in the area. Records indicate that in order to allow Petrolane access to the rail system a spur track had to be constructed over land the Harbor Department had previously purchased from the Watson Land Company in 1970. At that time the remainder of that spur track that ran along Gaffey Street was owned by Southern Pacific Railroad (SPR).

In 1994, through the purchase with the Port of Long Beach acting by and through its Board of Harbor Commissioners, of rail track in connection with the Alameda Corridor project, the Harbor Department gained an ownership interest in the railroad spur track that was once owned by SPR and runs parallel to Gaffey Street up to the point covered by RP No. 1212. Therefore, after the Alameda Corridor transaction, the Harbor Department had interest in the entirety of the railroad spur track that parallels Gaffey Street which serves the Rancho facility. Rancho continues to utilize the railroad spur track to move tank cars to and from the facility. Rail service is provided by Pacific Harbor Line (PHL), the operating railroad that provides rail switching services to customers within and adjacent to the Ports of Los Angeles and Long Beach.

In 2011, the Harbor Department entered into RP No. 10-05 with Rancho LPG Holdings, LLC (Rancho) (Transmittal 2). RP No. 10-05 is a successor RP to RP No. 1212. The Harbor Department is authorized to terminate RP No. 10-05 upon thirty (30) days' notice pursuant to paragraph 3 of the RP, which states:

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SUBJECT: STAFF RESPONSE TO PCAC RECOMMENDATION NO. 110

"The Revocable Permit shall be month-to-month, commencing upon the date of execution by Executive Director and shall thereafter be revocable at any time by Tenant or by Executive Director, upon giving of at least thirty (30) days' written notice to the other party stating the date upon which this Permit shall terminate. The right of the Executive Director to revoke this Permit is and shall remain unconditional. Neither City, nor any board, officer or employee thereof, shall be liable in any matter to Tenant because of such revocation." (RP No. 10-05)

PCAC Recommendation No. 110 – PCAC Recommendation No. 110 (Transmittal 3) requests the Board direct staff to (1) revoke Revocable Permit (RP) No. 10-05, (2) perform a "Risk Management Plan" of the Rancho facility, including the transport of product to and from the facility by pipeline, rail tank car and truck, and perform a risk analysis of products transported to and through the Port and nearby communities by pipeline, rail tank car and truck, and (3) that the Board establish a working group to examine the risks of the Rancho facility.

- (1) As stated above, the Harbor Department does have the right to revoke Permit No. 10-05 in accordance with the terms of the contract. Termination would not have the effect of terminating rail service to the Rancho facility, however, because rail service to the Rancho facility would continue under a permit between the Harbor Department and Pacific Harbor Line (PHL) (Permit No. 1989). RP No. 10-05 is the rail spur permit that connects the Rancho facility to the interstate railroad system served by PHL as a common carrier. Permit No. 1989, approved by the Board in 1997, grants PHL operational and maintenance responsibilities of the rail facilities in the Port, including the switching of railcars in and around the Port. This Permit gives PHL, the ability to operate as a federally recognized common carrier on the spur track along Gaffey Street that serves the Rancho facility. This includes the section of track that is also the subject of RP No. 10-05. Therefore, RP No. 10-05 between the Harbor Department and Rancho is not required for PHL to serve the facility and termination of the permit would not result in any discontinuation of rail service to the Rancho facility. Moreover, termination of RP No. 10-05 would result in the loss of (1) \$1 million in comprehensive general liability and property damage insurance provided by Rancho, (2) indemnification of the Harbor Department from any claims resulting from Rancho's operations on the RP No. 10-05 premises, and (3) the loss of \$14,244 in compensation per year generated from the RP. Further, should the Board seek to eliminate the spur track from Permit No. 1989 with PHL, approval would be required from the Surface Transportation Board (STB). If this were to be initiated, it is anticipated that Rancho would vigorously contest the proposed action. STB discontinuance/abandonment proceedings largely involve questions of a line's economic viability. Based on staff's current understanding, there is still economic viability in the use of the line to serve the Rancho facility. Accordingly it is unlikely that the STB would allow discontinuance or abandonment of the line.

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SUBJECT: STAFF RESPONSE TO PCAC RECOMMENDATION NO. 110

Therefore, staff recommends that this element of PCAC Recommendation No. 110 be denied.

- (2) PCAC Recommendation No. 110 also requests the Harbor Department to develop a "Risk Management Plan" for the Rancho facility assessing the transport of product to and from the facility by pipeline, rail tank car, and tank trucks. The motion also requested a risk analysis of the transport of products to and through the Port and nearby communities via pipelines, rail tank cars, and tank trucks. In November 1983, the California Coastal Commission certified Port Master Plan Amendment No. 3, relating to the establishment of a Risk Management Plan (RMP) for the Port. The purpose of the RMP is to manage and direct proposed developments in the Port to protect against and minimize the risks of significant adverse impacts due to potential hazards associated with liquid bulk terminals in the Port. The policies of the Harbor Department's RMP require those Port terminals handling hazardous liquid bulk cargoes be identified, those locations in and adjacent to the Port that contain high density working, visitor or residential populations be identified, and those areas that could be placed at risk should an incident occur at a Port liquid bulk terminal be identified. Once these are identified, the goal of the RMP is to minimize or eliminate those areas where a high density population is within an area placed at risk from an incident at a liquid bulk facility in the Port.

Since the RMP is an amendment to the Port Master Plan, which governs those Port properties within the coastal zone, its application is limited to those same Port properties within the coastal zone. The current Rancho facility on North Gaffey Street is neither on Port property nor is it within the coastal zone. Therefore, as the Rancho facility is outside of the Harbor District and coastal zone, application of the RMP criteria is beyond the jurisdiction of the Harbor Department. Additionally, the intent of the Harbor Department's RMP is to assess the potential risks of the storage and transfer of hazardous commodities occurring at liquid bulk terminals in the Port. Risk assessments of commodities either on board a vessel, inside a tank truck or rail tank car or in a pipeline transiting through the Port is not mandated to be addressed in the Port's RMP. Therefore, staff recommends denial of this element of PCAC Recommendation No. 110.

- (3) The motion further requests that the Board establish a working group to examine the risks associated with the operation of the Rancho facility and the transport of products by rail and truck to the facility. The working group should include representatives of the Los Angeles Fire Department, U.S. Geological Survey, U.S. Environmental Protection Agency, research communities, local organizations and PCAC. As stated above, as the Rancho facility is located outside of the Harbor Department's jurisdiction on privately held property,

DATE: MAY 31, 2012

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SUBJECT: STAFF RESPONSE TO PCAC RECOMMENDATION NO. 110

establishing and organizing a working group to assess operations at the Rancho facility would be beyond the Harbor Department's scope of authority. Therefore, staff recommends denial of this element, as well as the entirety of PCAC Recommendation No. 110. However, Harbor Department staff could request that another agency establish such a working group.

ENVIRONMENTAL ASSESSMENT:

The proposed action is denial of a PCAC recommendation requesting that the Harbor Department revoke Permit No. 10-05 with Rancho, perform a risk assessment of the Rancho facility and all hazardous commodities transported through the Port and nearby communities and that the Board establish a working group to assist in examining the risks associated with hazardous commodity transport operations. As an activity involving rejection and disapproval of a project, the Director of Environmental Management has determined the proposed action is exempt from the California Environmental Quality Act (CEQA) in accordance with Article II, Section 2(j) of the Los Angeles City CEQA Guidelines.

ECONOMIC BENEFITS:

This Board action will have no employment impact.

FINANCIAL IMPACT:

If Revocable Permit No. 10-05 is terminated, the Harbor Department will lose \$14,244 in compensation per year.

DATE: MAY 31, 2012

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SUBJECT: STAFF RESPONSE TO PCAC RECOMMENDATION NO. 110

CITY ATTORNEY:

The City Attorney's Office finds that the Harbor Department has contractual authority to terminate RP No. 10-05 pursuant to paragraph 3 of RP No. 10-05. Termination of RP No. 10-05 would result in a loss of insurance, indemnification, and rents to the Harbor Department that are provided under RP No. 10-05. Moreover, termination of RP No. 10-05 would not terminate rail service to Rancho as such service would continue to be provided by PHL pursuant to the San Pedro Bay Harbor Rail Operating Permit (Permit No. 1989). The City Attorney's Office has reviewed and analyzed the relevant legal authorities and has found that the Harbor Department is not authorized to abandon or discontinue the railroad spur track that is the subject of RP No. 10-05. Abandonment or discontinuance of the railroad spur track that serves Rancho requires the approval of the STB, which has exclusive jurisdiction over such matters.

TRANSMITTALS:

1. Rancho Facility Site Map
2. RP No. 10-05
3. PCAC Recommendation No. 110

FIS Approval: EJ (initials)

CA Approval: TAM (initials)

for 
DAVID L. MATHEWSON
Director of Planning & Economic Development


KATHRYN McDERMOTT
Deputy Executive Director

APPROVED:


GERALDINE KNATZ, Ph.D.
Executive Director

Author: J. Ruddell

EXHIBIT FOUR

**MOTIONS/RESOLUTIONS PRESENTED TO
THE LOS ANGELES CITY BOARD OF EDUCATION FOR CONSIDERATION**

SUBJECT: Supporting the Relocation of the Rancho Liquefied Petroleum Gas (LPG) Facility Located in San Pedro, California (Res- 027-15/16)

DATE NOTICED: 01-12-16, 10am

PRESENTED FOR ACTION: 01-12-16

PRESENTED BY: Dr. Vladovic, Dr. McKenna,
Dr. Rodriguez

MOVED/SECONDED BY: Dr. Vladovic /
Dr. Rodriguez

MOTION:

RESOLUTION: x

Whereas, The United States Department of Labor's Occupational Safety and Health Administration (OSHA) states that butane poses health factors causing the following potential symptoms: drowsiness, narcosis, asphyxia, cardiac arrhythmia, and frostbite from contact with liquid;

Whereas, The Centers for Disease Control and Prevention describes butane as a colorless gas with gasoline-like or natural gas odor and lists butane as a chemical hazard that targets the central nervous system through exposure from inhalation and/or contact with skin or eyes;

Whereas, Butane is a gas that is typically shipped as a liquefied gas under its vapor pressure, which makes it easily flammable and under prolonged exposure to fire or intense heat the container may rupture violently;

Whereas, In 1973, Petrolane developed the property located at 2110 N. Gaffey St. San Pedro, CA 90731 into a storage facility for liquid petroleum gas, which currently stores butane and small amounts of propane;

Whereas, The Facility sits adjacent to the Palos Verdes earthquake fault, which was not identified when the Facility was originally constructed;

Whereas, In 2008, Rancho LPG Holdings LCC purchased Petrolane;

Whereas, Rancho LPG stores butane and small amounts of propane at the Facility in two 12.5 million-gallon refrigerated tanks and five 60,000-gallon horizontal storage tanks;

Whereas, The Facility is regulated by many local, state and federal enforcement agencies including the U.S Environment Protection Agency (EPA), U.S. Department of Occupational Safety and Health Administration, U.S. Department of Homeland Security, U.S. Department of Transportation, U.S. Environment Cal/EPA, California Emergency Management Agency, California Department of Toxic Substances Control, the South Coast Air Quality Management District, the Los Angeles County Fire Department, the City of Los Angeles Fire Department, the Los Angeles Police Department, and the City of Los Angeles Bureau of Sanitation Industrial Waste Management Division, among several other agencies;

Whereas, Federal, State and local agencies have established regulations governing such facilities in the interest of protecting the public against excessive risk of injury, illness, or death, whether the result of normal operations, or by the occurrence of industrial accidents;

SUBJECT: Supporting the Relocation of the Rancho Liquefied Petroleum Gas (LPG) Facility Located in San Pedro, California (Res- 027-15/16)

Whereas, The operation of the Facility predates the more stringent health-protective land use statutes enacted in recent years and it may be operating under conditional use permits that require periodic review to ensure the safety of continued operations;

Whereas, Three LAUSD educational sites are in close proximity of the Facility including Taper Avenue Elementary School, Johnston Community Day School, and the Vic and Bonnie Christensen Science Center; and

Whereas, The proximity of the Facility to the surrounding schools and community may pose a hazard in the case of a spill potentially causing a vapor fire, pool fire and boiling liquid evaporative vapor explosion (BLEVE); now, therefore, be it

Resolved, That the Governing Board of Los Angeles Unified School District hereby supports the efforts for the relocation of the Facility to an area where it does not pose any harm to students and their families;

Resolved further, That the Board directs the Office of Environmental Health and Safety (OEHS), in coordination with the Office of the General Counsel, to work in collaboration with regulatory agencies to monitor and comment on any new requests for permits or modifications to any existing permits or land-use entitlements for the Facility; and, be it finally

Resolved, That the Board directs the Superintendent to immediately submit this Resolution to the City officials, as well as other Federal, State and local agencies to request their support in relocating the Facility.

	<u>AYES</u>	<u>NOES</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
Ms. Garcia	X			
Dr. McKenna	X			
Ms. Ratliff	X			
Dr. Rodriguez	X			
Mr. Schmerelson	X			
Dr. Vladovic	X			
Mr. Zimmer	X			
TOTAL	7			

ACTION: ADOPTED BY CONSENT VOTE

EXHIBIT FIVE

JANICE HAHN
44TH DISTRICT, CALIFORNIA

COMMITTEE ON
TRANSPORTATION AND INFRASTRUCTURE

COMMITTEE ON
SMALL BUSINESS

PORTS CAUCUS
FOUNDER AND CO-CHAIR

CROATIAN CAUCUS
CO-CHAIR



WASHINGTON OFFICE:
404 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-8220

SAN PEDRO OFFICE:
140 W. 6TH ST.
SAN PEDRO, CA 90731
(310) 831-1790

COMPTON OFFICE:
205 S. WILLOWBROOK AVE.
COMPTON, CA 90220
(310) 605-5520

SOUTH GATE OFFICE:
8650 CALIFORNIA AVE.
SOUTH GATE, CA 90280
(323) 563-9662

Congress of the United States

House of Representatives

Washington, DC 20515-0544

January 12, 2016

CARSON OFFICE:
701 E. CARSON ST.
CARSON, CA 90745
(310) 830-7800 EXT. 1038

WILMINGTON OFFICE:
544 AVALON BLVD., STE. 307
WILMINGTON, CA 90744
(310) 549-8282

The Honorable Steve Zimmer
President, Board of Education
Los Angeles Unified School District
333 South Beaudry Ave. 24th Floor
Los Angeles, CA 90017

Dear President Zimmer and Members of the Board:

I write in support of the proposed resolution introduced by Dr. Richard Vladovic regarding the Rancho Liquefied Petroleum Gas (LPG) Tanks in San Pedro.

The Rancho LPG Tanks store millions of gallons of butane and propane near the surrounding communities of San Pedro and Rancho Palos Verdes. These tanks are located not in an industrial area but a residential area – so families live near them and children attend school, such as Taper Avenue Elementary (where my children went to school) and take part in recreational activities near this hazardous area. This is unacceptable to our mutual constituents. For many years, Dr. Vladovic and I have met with families, activists, and industry experts to fully understand the dangers posed by this facility, and there is no question that its removal is necessary for the safety of our community.

I strongly request that all members of the board unanimously vote in favor of the resolution supporting the relocation of the Rancho LPG Tanks in San Pedro

Sincerely,

Janice Hahn
Member of Congress

Cc: Members of the Board

EXHIBIT SIX



EARTHJUSTICE

ALASKA CALIFORNIA FLORIDA MID-PACIFIC NORTHEAST NORTHERN ROCKIES
NORTHWEST ROCKY MOUNTAIN WASHINGTON, DC INTERNATIONAL

September 8, 2014

Jared Blumenfeld
Regional Administrator
USEPA, Region 9
75 Hawthorne St.
San Francisco, CA 94105

**RE: RANCHO LPG/PLAINS ALL AMERICAN PIPELINE, SAN PEDRO,
CA**

Dear Mr. Blumenfeld:

I am writing regarding the Risk Management Plan (“RMP”) for the Rancho Liquefied Petroleum Gas (“LPG”)/Plains All American Pipeline (“Rancho Facility”) in San Pedro, California. As the EPA is well aware, facilities that handle LPG can pose serious threats to neighboring communities. Given the dense community adjacent to the Rancho Facility, it is vital that the RMP provide a sufficient approach to protect the community from what could be great harm given the amount of flammable fossil fuels that are stored at this facility.

In particular, I am seeking justification for the inclusion of a ½ mile worst case scenario blast radius in the RMP. It appears that the blast radius calculation for this facility is not based on storing flammable materials, but rather based on the formula for toxics. This substitution of liquefied toxics allows for a much smaller blast radius. It appears EPA has allowed this reduced blast radius because of passive mitigation in the form of an impound basin. It does not appear that this reduced blast radius is justified because of this passive mitigation.

Based on my understanding of the physical properties of LPG, the product is only liquefied under pressure and low temperatures. If this product is released into the ambient air, it would rapidly turn into a vapor and dramatically expand in volume. It appears that the impound basin would be wholly ineffective to catch the entire contents of the facility’s two 12.5 million gallon tanks if there is a rupture. In the event of release of LPG, the product would likely flow into the community in its vaporized form. Any spark could result in ignition, which could lead to great harm to the surrounding community and the port.

This lenience in protection of public safety is further exacerbated because the Rancho Facility does not have to directly notify the neighborhood in the event of an emergency because there are “no toxics” stored at the facility. It only needs to notify the police and fire department. The Rancho Facility tries to have it both ways. On one hand it seeks lenience because it claims it is more like a facility storing liquefied toxics, and on the other hand it says it does not need to

Jared Blumenfeld
September 8, 2014
Page 2 of 2

notify the public because there are "no toxics" on site. This problematic inconsistency needs to be better justified.

Overall, Earthjustice would like to understand more fully the basis for discounting the blast radius due to the passive mitigation measures. It does not appear to be an effective mitigation measure to protect the community if an accident happens. In my discussions with community members, they are deeply concerned about this facility. Residents should not be afraid to live in their communities, and it is incumbent upon our public agencies to make sure residents feel secure in their neighborhoods.

Given the serious nature of the concerns about this facility, I would appreciate a prompt response about whether the RMP is adequate to protect public and safety. Please do not hesitate to contact me if you have questions about my request.

Sincerely,

A handwritten signature in black ink that reads "Adriano L. Martinez". The signature is written in a cursive, slightly slanted style.

Adriano L. Martinez
Staff Attorney
Earthjustice

EXHIBIT SEVEN

UNIVERSITY OF CALIFORNIA, BERKELEY

BERKELEY • DAVIS • IRVINE • LOS ANGELES • MERCED • RIVERSIDE • SAN DIEGO • SAN FRANCISCO



SANTA BARBARA • SANTA CRUZ

TELEPHONE: (925) 631 1587

E-MAIL: bea@ce.berkeley.edu

CENTER FOR CATASTROPHIC RISK MANAGEMENT
DEPARTMENT OF CIVIL & ENVIRONMENTAL ENGINEERING
BERKELEY, CALIFORNIA 94720-1710

DRAFT FOR REVIEW AND REVISION (April 16)

Mr. Ronald Conrow
Rancho LPG Holdings, LLC
2110 North Gaffey Street
San Pedro, CA 90731



Re: Letter dated April 9, 2015 responses regarding my statements contained in the YouTube video about the Rancho LPG Facility in San Pedro, CA

Dear Mr. Conrow:

I have reviewed the contents of your letter to me dated April 9, 2015 regarding my statements contained in the YouTube video about the Rancho LPG Facility in San Pedro, CA. This letter summarizes my responses to the four quotations attributed to me contained in the YouTube video.

Before I address each of the four quotations, I would like to address several statements contained in your letter to me. First, you state: "We are concerned not only about the inflammatory nature of this video, but the fact the claims portrayed in the video by you and other commenters are lacking proven scientific information required to quantify exactly how the events described in the video can even happen."

The background I reviewed and analyzed that formed the foundation for my statements in this video came from documentation I have obtained since 2011 regarding the Rancho LPG Facility, surrounding facilities, and similar LPG facilities in other locations. This documentation included several qualitative and quantitative 'risk analyses' of the Rancho LPG Facility that addressed some of the major hazards that confront these facilities and the uncertainties associated with performance of these facilities given the different kinds of hazards. These hazards included effects on the facilities and surrounding communities and industrial facilities of intense earthquakes, ground instability (e.g. liquefaction during earthquakes, instability developed as a result of intense storm effects), terrorist activities, and those associated with operations and maintenance of the facilities (e.g. LNG transport into and out of the facilities). This background included several hundred documents.

In mid-2011, I advised Mr. Anthony Patchett that the primary conclusion I reached after analyzing the available background was: "the only sensible way forward is to have an advanced, high quality, thorough, validated risk analysis performed...this would be similar to advanced analyses that are done for critical facilities such as nuclear power plants."

Mr. Patchett commissioned a detailed review of the background documentation pertaining to Quantified Risk Analyses (QRA) of the Rancho LPG facilities by Mr. Philip Meyers of PEMY Consulting. Mr. Meyers issued a report at the end of December 2011 summarizing the results of his review. Mr. Meyers developed a series of detailed recommendations that addressed development of a comprehensive QRA for these facilities; thus, corroborating my primary conclusion.

The consequence of these developments is that the "proven scientific information required to quantify exactly how the events described in the video can even happen" does not exist at this time. The statements I made in the video represent my synthesis of the information and conclusions regarding the risks of major accidents associated with the existing Rancho LPG facilities.

In your letter you state: "you should be able to provide the technical information to support your claims and those of the other video commenters." Your contention that I should be able to provide the technical information to support those of the other video commenters is not correct. Prior to release of the video, I was not able to review, validate, or comment on the comments and observations made by the other video commenters. Those individuals should be given the opportunity to respond as I am responding to the four comments I made during the video.

Further, in your letter you state: "However, if you support the claims contained in the video, it should be quite simple for you to produce quantitative validation required to defend the positions of you and the other video commenters. Later in this letter, I will provide the background for the four comments in made during the video. As I summarized in the foregoing paragraph, I will not "defend the positions...of the other video commenters.

Finally, in your letter you state: "The questions posed by Quest are straightforward (no gotcha questions) with the intention of scientifically explaining how an event can or cannot happen. The residents of San Pedro concerned about 'public safety' are deserving of facts based upon science and not rhetoric!" I agree that the residents of San Pedro and the local, State, and Federal government agencies having responsibilities for these facilities are deserving of facts based on science and rhetoric. Unfortunately, based on the available background information I have reviewed which includes a QRA performed by Quest Consultants Inc., I do not think that there is sufficient valid and validated information (qualitative and quantitative) to inform the residents of San Pedro and the responsible local, State, and Federal government agencies regarding the 'public safety' and risks of major accidents associated with the Rancho LPG facilities. I think it is incumbent upon Rancho LPG Holdings LLC to provide the residents of San Pedro and the responsible government agencies the scientifically based information on the 'public safety' and risks (likelihoods and consequences) associated with major accidents involving the Rancho LPG facility.

Next, I will address each of the four statements I made in the video as summarized in your letter to me and further detailed in the letter from Quest Consultants Inc. to you.

Dr. Bea: "Rancho is a very volatile, explosive, flammable gas."

The commentary provided by Quest (page 2) properly characterizes the LPG contained in the name of your company: Rancho LPG Holdings LLC: Liquefied Petroleum Gas:

Clearly, the Rancho facility is not a gas, but the Rancho facility does store flammable liquefied gases (propane and butane in liquefied form). It would be beneficial to educate the listener that volatility only applies to liquids (or some solids that sublime like carbon dioxide) but not to gases. Other common materials are both volatile and flammable. Materials such as gasoline, diesel, kerosene, acetone, and ethyl alcohol, are all volatile liquids and are quite common and, once vaporized, will produce a flammable gas. If a material is flammable, it can be involved in an explosion. Thus, all the materials outlined above are also "explosive."

Dr. Bea: "It also has very high risk because of the population and community that surrounds it."

The commentary provided by Quest (page 3) properly defines the information that should be but is not available:

The statement is made in reference to Rancho being "high risk" due to the population around the facility. Since risk is a product of consequence and frequency, in order to make the statement above, Dr. Bea must have calculated both components of risk, as well as defined what "high" means in regard to risk. Since this exercise must have already been completed by Dr. Bea in order to make such a statement, it should be straight-forward to identify the following components that make Rancho a "high risk" facility.

My statement is based on the information contained in the series of 'risk analyses' documents I cited earlier in this document. My synthesis of that information led to my qualitative assessment of "high risk". That assessment included an assessment of the likelihoods of major accidents due to the multiple categories of hazards I cited earlier (earthquakes, severe storms, ground instability, terrorist activities, and operating and maintenance activities) and the consequences (deaths, severe injuries, property and productivity damages, and direct and indirect monetary costs).

In addition, during the past 45 years, I have been involved as an originator, contributor and reviewer of several hundred QRAs that involve High Risk Systems; primarily those associated with design, construction, maintenance, and operation of onshore and offshore oil and gas exploration, production, transportation, refining systems. Several of these QRAs were associated with oil and gas production and transportation facilities located onshore and offshore Southern California. I have written three books, contributed chapters in 4 other books, written several hundred refereed technical papers and reports, and taught university undergraduate and graduate courses on Risk Assessment and Management (RAM) of engineered systems for more than 20 years. This work has been closely associated with my forensic engineering work as a primary investigator on more than 30 major accidents and disasters that have primarily involved oil and gas exploration, production, transportation, and refining systems. This work has been involved on more than 40 major national and international joint industry - government sponsored research projects that addressed RAM of complex engineered systems.

This experience has provided me with an extensive 'library' of experience and knowledge about QRAs, PRAs (Probabilistic Risk Analyses), PSM (Process Safety Management), and other relevant technologies that apply to understanding the risks posed by the Rancho LPG facilities. The combination of this previous experience together with the knowledge I developed from my review of the previous studies of the Rancho LPG facilities provided the basis for this and the other statements I made in the video.

Dr. Bea: “ (If) One of the tanks fails, within a three mile radius of that tank approximately half a million people live. That’s high risk.

Based on the results contained in the previous Rancho LPG 'risk analysis' studies I reviewed, the three mile radius was the distance I estimated that there could be significant negative effects or consequences from the explosion of one of the LPG tanks. That distance could be significantly greater if both of the tanks failed during a single event or other nearby facilities were involved in a cascade or propagation of fires and explosions. I estimated the number of people who could live, work, and be present in such a densely populated and industrial area during such an event. Such an event could be initiated by an intense earthquake. My qualitative assessment of the likelihood and consequences associated with such an event indicated that the risks could be 'high'.

Dr. Bea: “A large amount of propane in storage tanks that can be affected by strong earthquakes, ignited, that’s a natural hazard, or (plus) human hazards: hubris, arrogance, greed, ignorance, and indolence is a disaster sooner or later.”

The commentary provided by Quest (page 4) properly characterizes the storage tanks I referenced: “The propane is stored in the horizontal pressure vessels, the butane is stored in horizontal pressure vessels and vertical refrigerated tanks.” This commentary also defines the potential types of gas ignition as “flash fire, torch fire, pool fire, or vapor cloud explosion” and combinations of these types.

The commentary further observes:

The word hazard refers to “a chemical or physical condition that has the potential for causing damage to people, property, or the environment.” Thus, the fact that a flammable liquefied gas is stored on site presents a hazard. Using this rational, every car on the road or plane in the sky (or on the runway) presents a hazard. Is that correct Dr. Bea?

Yes, I think these are correct statements. It is for these very reasons that the technology associated with System Risk Assessment and Management have been developed. There are many important hazards that need to be properly recognized, evaluated and managed before there are major accidents that can have dramatic negative effects on people, property, productivity, environmental quality and the quality of life.

The Quest commentary requested that I address the “human hazards” I detailed in my quotation and how they are relevant to Rancho. These human hazards were part of an 'equation' (analytical expression) I developed to explain simply why and how major disasters have and continue to happen. I based this 'equation for disaster' on detailed studies of more than 600 major accidents and the more than 30 forensic engineering investigations of major disasters that have included the failures of the flood protection system for the Greater New Orleans area during and following Hurricane Katrina, the BP Deepwater Horizon Maconodo well blowout in the Gulf of Mexico, and the PG&E San Bruno gas pipeline fires and explosions.

The disaster equation is $A + B = C$. 'A' are natural hazards like explosive hydrocarbons, earthquakes, tsunamis, hurricanes, instability of the ground. 'B' are human hazards that include hubris, arrogance, greed, complacency, ignorance, and indolence. 'C' are disasters sooner or later. The definitions of the human hazards include in the Quest commentary are valid.

To this point in my experience with the Rancho LPG facilities, I have sensed the presence of and seen evidence of ALL of the 'B' human hazards in one form or another. In addition, there is ample valid evidence available that concerns the multiplicity of significant natural hazards at and in the vicinity of these facilities. I think it is time for Rancho LPG Holdings LLC to take effective actions to avoid the 'C' results associated with the facilities it owns and operates.

**Robert Bea, PhD, PE (retired)
Professor Emeritus
Department of Civil & Environmental Engineering
University of California Berkeley**